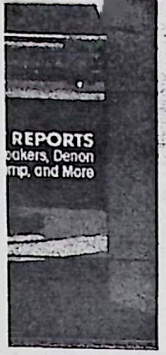

Sony market research data, a series of jointly produced multipage advertorials and point-of-purchase displays bearing the *Stereo Review* logo. But Hachette brought more to the table, via its own list management capabilities. A direct mail piece that targets non-audio buff households will be included in the renewal efforts sent to 6 million subscribers of other Hachette magazines.

Matarazzo said the group has about eight other multipronged deals in negotiations now. "The ability to tie consumers, dealers and manufacturers together in one loop is the key to the '90s," he said. "I can do that with our group of magazines. Some of the mass books we sell against, like *GQ* or *Playboy*, have their benefits. But I don't think they can cover every part of the marketplace the way we can."

In *Stereo Review*, that coverage includes equipment reviews, advice on acoustics and storage, and plenty of buying guides. Music coverage has been expanded, and readers find more head-to-head comparisons in which editors draw distinctions among competing audio components. These comparisons are so valued by the industry, Matarazzo claimed, that equipment makers often bring a writer's criticisms to the attention of product engineers. In fact, he said *Stereo Review* often gets more attention from manufacturers and equipment dealers than the industry's leading trade magazines.

Hachette can only benefit if advertisers continue to concentrate wilting print budgets in core titles, Matarzzo believes. "We are the core in this category," he said. "Even companies that try to spread their spending around are having to reconsider. We think a lot of them will consolidate it with groups like ours."

For their part, media buyers like two key things about the *Stereo Review* reader: They're live prospects with an enthusiasm for the subject. "This reader spends a lot of time with the magazine," said Kevin Hyson of Oz Communications, whose client, Onkyo, runs in *Stereo Review*, *Audio* and *Car Stereo Review*. "Even more important is the buying influence this reader wields. In many cases, he is the audio expert among his circle of friends, and his product recommendation can go a long way." For this reason, many system ads in the Hachette titles concentrate on information rather than gimmickry.

Agency people, who are themselves under enormous client pressure to come up with new programs, also like the new-found emphasis on marketing partnerships rather than simple space sales. "The consumer electronics group wants to know what my marketing goals are, not just how many pages I need," said Luke Andros, who handles Pioneer Electronics as associate media director for BBDO/Los Angeles.

"I like that thinking." Andros credits

But *Stereo Review* and its sister titles may have scored even more goodwill by not acting on page rate hikes. In the midst of the worst slump to hit print space sales in 30 years, many publishers conducted business as usual with 5 percent to 9 percent rate hikes for 1992. Hachette's audio books, however, saved on printing costs by sticking with the January 1991 rate card.

Said Hachette President and Chief Operating Officer David Pecker, "Seeing the deep discounts audio dealers have had to offer, we just didn't feel we could pass on a 7 [percent] to 8 percent rate hike. If you really are in a marketing partnership, sometimes you

that *Stereo Review* alone posted a 1991 net profit of 6.7 million, a 27.3 margin. And that was with the 15 percent plunge in ad pages; first quarter 1992 pages are running a modest 2 percent over last year's pace. Moreover, Matarazzo said the *Stereo Review* buyers' guides—eight of which are on tap this year—are "cash cows." Priced at $3.95, these issues sell big on the newsstand and, with staff and support already in place, carry little additional overhead.◆

John Masterton is a Manhattan-based freelance business writer who specializes in magazines and media. He can be reached at (212) 673-4695

STEREO REVIEW

Profit Profile Assumptions	
Paid Subs:	470,526
Controlled Subs:	29,183
Avg $/New Sub:	$8.97
Avg $/Rnwl Sub:	$12.00
% Annual Renewal:	30%
Singles:	54,967
% SC Sale:	40%
Avg $/Net Single:	$1.58
Display Ad Pages/Yr.:	689
Display Yield/Page:	$24,900
Classified Ad Pages/Yr.:	72
Classified Yield/Page:	$12,600
List Rent/Yr:	17
Net List CPM:	$65.00
Ancillary Revenue/Sub	$0.27
Ancillary Cost/Sub	$0.23
Cost Per Edit Pg:	$1,155
Advertising %:	53%
Avg Folio:	120
Makeready/Issue:	$16,914
Print/Copy:	$0.47
Postage/Copy:	$0.21
Freight/Copy:	$0.04
Annual New CPSU:	$10.00
Annual Rnwl CPSU:	$7.00
Agency Cmmssn %:	15.00%
Adv Promotion	10.00%
Edit/Prod Personnel:	18
Avg Salary:	$43,000
Circ Personnel:	3
Avg Salary:	$35,000
Adv Personnel:	9
Avg Salary:	$47,000
Other Personnel:	3
Avg Salary:	$80,000
% T&B:	25.00%
Ovrhd/Person:	$30,000

Profit Profile Report		Per SU
Total Circulation	554,676	
Frequency	12	
Display Yield/Page:	$24,900	
Avg Display CPM :	$45	
Classified Yield/Page:	$12,600	
Avg Classified CPM :	$23	
Total Staff	33	
Revenues		
Subs - New (Gross)	$2,954,433	$8.45
Subs - Renewal (Gross)	1,693,894	11.30
Single-Copies (Net)	1,038,876	18.90
Advertising (Gross)	17,156,100	30.93
Classified Advertising (Gross)	907,200	1.64
List Rentals (Net)	535,938	0.97
Ancillary Products (Gross)	151,565	0.27
Total	24,438,006	44.06
Direct Costs		
Editorial (NonStaff)	$779,451	$1.41
Printing & Delivery	4,595,455	8.28
Subs - New	3,497,963	10.00
Subs - Renewal	1,049,389	7.00
Single-Copies (Unsold)	511,208	9.30
Adv - Commissions	2,573,415	4.64
Adv - Promotion	1,715,610	3.09
Anciliary Products	126,244	0.23
Total	14,848,734	26.77
Marginal Contribution	$9,589,271	$17.29
Fixed Expenses		
Personnel - Edit/Prod	$967,500	$1.74
Personnel - Circ	131,250	0.24
Personnel - Adv	528,750	0.95
Personnel - Other	300,000	0.54
Office Expenses	990,000	1.78
Total	2,917,500	5.26
Net Profit/Loss	$6,671,771	$12.03
Net Profit Margin	27.30%	

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NEW AGE JOURNAL

Profit Profile Assumptions	
Paid Subs:	120,337
Controlled Subs:	20,293
Avg $/New Sub:	$15.00
Avg $/Rnwl Sub:	$18.00
% Annual Renewal:	40%
Singles:	28,862
% SC Sale:	50%
Avg $/Net Single:	$1.47
Ad Ad Pages/Yr.:	517
Net Adv CPM:	$25.93
List Rent/Yr:	50
Net List CPM:	$48.00
Net Ancillary $/Sub	$0.25
Cost Per Edit Pg:	$300.00
Ad/Edit Ratio:	55%
Avg Folio:	134
Makeready/Issue:	$19,304
Print/Copy:	$0.54
Postage/Copy:	$0.22
Freight/Copy:	$0.04
Annual New CPSU:	$12.00
Annual Rnwl CPSU:	$4.00
Agency Cmmssn %:	15%
Adv Promotion	5%
Edit Personnel:	12
Avg Salary:	$24,000
Circ Personnel:	3
Avg Salary:	$27,000
Adv Personnel:	6
Avg Compensation	$32,000
Other Personnel:	10
Avg Salary:	$30,000
% T&B	15%
Overhd/Person:	$12,000

Profit Profile Report		Per SU
Total Circulation	169,492	
Frequency	7	
Avg $ Ad/Page	$3,745	
Total Staff	31	
Revenues		
Subs - New	$1,083,033	$15.00
Subs - Renewal	866,426	18.00
Single-Copies	350,000	12.13
Advertising	1,936,165	11.42
List Rentals (Net)	288,809	1.70
Ancillary Products (Net)	95,000	0.79
Total	4,619,433	27.25
Direct Costs		
Editorial (NonStaff)	$126,900	$0.75
Printing & Delivery	993,862	5.86
Subs - New	1,012,536	14.02
Subs - Renewal	225,008	4.67
Single-Copies (Unsold)	116,660	4.04
Adv - Commissions	290,425	1.71
Adv - Promotion	96,808	0.57
Total	2,862,199	16.89
Marginal Contribution	$1,757,234	$10.37
Fixed Expenses		
Personnel - Edit	$331,200	$1.95
Personnel - Circ	93,150	0.55
Personnel - Adv	220,800	1.30
Personnel - Other	345,000	2.04
Office Expenses	372,000	2.19
Total	1,362,150	8.04
Net Profit/Loss	$395,084	$2.33
Net Profit Margin	15.75%	

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5/5 issue

460,900 in 1980 but still considered modest by many national advertisers—is not a handicap. "The name of the game is specialty niche marketing," he said. "Advertisers seldom use print for reach anymore; they use it to enrich the mix. *Natural History* offers a rifle shot instead of a shotgun blast. We're the bull's-eye for a lot of upscale products and services."

In its sales message, *Natural History* compared itself to such diverse titles as *Bon Appetit*, *Architectural Digest*, *Gourmet* and *The New Yorker*. While these titles clearly are in different editorial categories, Kelly said they all chase the same high-end advertising dollar. Not every upscale rival necessarily views *Natural History* as direct competition, but they can easily understand why the title draws such comparisons. Said *Bon Appetit* Advertising Director Doug Roeder, "I suppose they mention us to help them expand beyond generic categories into other upscale areas, so they can say, 'We compare favorably, maybe you should consider us too.' It isn't a bad selling strategy."

But things aren't entirely copacetic in the somewhat rarified world of *Natural History*. The museum's walls and the magazine's nonprofit status could not shield it from the steep ad decline gripping publishers everywhere. While the profile statistics in the box accompanying this article are based on 1990 figures, 1991 was less kind to the title. Through November, year-to-date ad pages had plummeted 21.14 percent, according to the "LNA/*MagazineWeek* Consumer Advertising Monitor," and ad revenue dropped 15.33 percent in the same period.

Along with many other upscale magazines, *Natural History* lost ground when the Persian Gulf War stunted the media budgets of many high-end travel accounts. While it posted a strong March 1992 issue with many Pacific rim travel advertisers, Kelly said travel has not come back as much as he would like. It comprises about one-quarter of *Natural History*'s ad pages. The title is also trying to land more advertising from photographic suppliers, financial services companies, and high-end imported autos. Moreover, Kelly recently began actively promoting a metro buy that gives advertisers 145,000 circulation in the New York ADI.

Although the title may be short a few ad pages, media buyers said it is not for lack of effort on the part of *Natural History*'s staff. Rather, they argue, it is contracting ad budgets that keep the book off the scoreboard for some high-profile upscale national accounts.

"Their rep does a great job keeping in touch, even though we don't run with *Natural History* right now," said Neil Ascher, vice-president, associate media, Rosenfeld, Sirowitz, Humphrey & Strauss, which handles Royal Caribbean Cruise Lines. "They really do the job programs that add value without [illegible] rate. A major travel supplier might get private use of museum facilities, complete with an expert speaker from the magazine, for a travel agent function. In another case, some prestigious *Natural History*-sponsored museum events have a complimentary beverages service provided by such upscale liquor advertisers as Remy Martin and Glenlivet Scotch. And some museum cruise programs offer travelers the high-end Leica binoculars that are advertised in *Natural History* at attractive discounts.

But the magazine has another trump card that isn't reflected in page counts or ad revenue figures: profitable circulation. By *MagazineWeek* estimates, gross subscription rev- *History* subscriptions went from $22 to $25. At the same time, the $2.50 cover price jumped to $2.95.

With a renewal rate in the golden 60 percent range, Kelly said the increases had no negative impact on circulation. Moreover, he believes the title's healthy circulation picture will provide needed insulation in an uncertain advertising climate. He said, "In the troubled times, our greater reliance on circulation revenue has helped."

John Masterton is a Manhattan-based freelance business writer specializing in magazines and media. He can be reached at (212) 673-4695.

NATURAL HISTORY

Profit Profile Assumptions	
Paid Subs:	513,188
Controlled Subs:	35,717
Avg $/New Sub:	$16.00
Avg $/Rnwl Sub:	$22.00
% Annual Renewal:	60.00%
Singles:	6,452
% SC Sale:	25.00%
Avg $/Net Single:	$1.25
Display Ad Pages/Yr.:	481
Display Yield/Page:	$13,170
Classified Ad Pages/Yr.:	36
Classified Yield/Page:	$10,688
List Rent/Yr:	9
Net List CPM:	$80.00
Ancillary Revenue/Sub	$0.63
Ancillary Cost/Sub	$0.44
Cost Per Edit Pg:	$1,500
Advertising %:	40%
Avg Folio:	102
Makeready/Issue:	$15,595
Print/Copy:	$0.43
Postage/Copy:	$0.20
Freight/Copy:	$0.03
Annual New CPSU:	$13.80
Annual Rnwl CPSU:	$7.00
Agency Cmmssn %:	15.00%
Adv Promotion	10.00%
Edit/Prod Personnel:	19
Avg Salary:	$35,000
Circ Personnel:	4
Avg Salary:	$35,000
Adv Personnel:	11
Avg Salary:	$45,000
Other Personnel:	5
Avg Salary:	$60,000
% T&B:	19.00%
Ovrhd/Person:	$19,000

Profit Profile Report		Per SU
Total Circulation	555,357	
Frequency	12	
Display Yield/Page:	$13,170	
Avg Display CPM :	$24	
Classified Yield/Page:	$10,688	
Avg Classified CPM :	$19	
Total Staff	39	
Revenues		
Subs - New (Gross)	$3,284,400	$14.96
Subs - Renewal (Gross)	6,774,075	20.57
Single-Copies (Net)	96,780	15.00
Advertising (Gross)	6,334,770	11.41
Classified Advertising (Gross)	384,750	0.69
List Rentals (Net)	373,255	0.67
Ancillary Products (Gross)	349,875	0.63
Total	17,597,905	31.69
Direct Costs		
Editorial (NonStaff)	$1,055,250	$1.90
Printing & Delivery	4,378,520	7.88
Subs - New	3,029,953	13.80
Subs - Renewal	2,305,399	7.00
Single-Copies (Unsold)	108,237	16.78
Adv - Commissions	950,216	1.71
Adv - Promotion	633,477	1.14
Anciliary Products	244,912	0.44
Total	12,705,964	22.88
Marginal Contribution	$4,891,941	$8.81

Fixed Expenses	% Excl Adv.		% incl Adv.	
Personnel - Edit/Prod	32.5	$791,350	30%	$1.42
Personnel - Circ	8.1	166,600	6.3	0.30
Personnel - Adv	NA	589,050	22	1.06
Personnel - Other	17.4	357,000	13.5	0.64
Office Expenses	36.0	741,000	28	1.33
Total	100	2,645,000	100	4.76
		2055950		
Net Profit/Loss		$2,246,941		$4.05
Net Profit Margin		12.77%		

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asyriders and Harley son products. The cover of ound-in semi-annual displayed a small Harley lenoting that the catalog ins "officially licensed ct[s]" of the manufactur- h as caps, key chains . , which totals approxi- r year, helped propel the 990 profits to $2.97 mil- 17.4 million, according to nates.

eparates *Easyriders* from *Cycle World*, *Rider* and o you road test?," said econded by Larry Little, *Vorld*, who said that his other mainstream publi- xamine jackets, helmets ner products. Teresi took istinction, noting that forms this service, as it p to 12 models per year." s a big difference between lication and a "lifestyle" *asyriders*, which he said our tits' route of motor- at's not the approach of cle magazines."

l he was not troubled by ntent in the magazine, of its circulation was his is Campbell, owner of lif.-based Bikers Dream, y specializing in after- blunt when asked why *syriders*. "I stuck my ads t it was the biggest," he eems to be pretty good," he advertises in several s and is not sure who vertisements.

average paid circulation months ended June 30, 4 percent over the same More than 60 percent of -copy sales, which aver- . This represented a 21.6 last year. However, sub- 6 percent in the period, 5.

t the single-copy spike rrence, because of an *iders V-Twin* edition in tion falloff he attribut- rop" cycle that results een the in-house sweep-

eresi explained that it is unnecessary, since the magazine contains a significant level of mail order advertisers. "If it was not working, they wouldn't be in there," he said. Moreover, "anybody can make rate base by offering 80 cent subscriptions."

This rather laissez-faire attitude toward paid pages goes to the heart of Teresi's publishing philosophy, which is that the magazine is "designed to live without advertising."

from *Easyriders*, the other publishers cited above all agreed that within the lifestyle market it serves, *Easyriders* is the No. 1 title.

"They lead it head and shoulders. Nothing compares with it," said *Rider*'s McNeill. "It's a super product," added Tom McMullen, publisher of *Hot Bike*.

When asked about his own riding experiences, Teresi said proudly, "I was a motorcycle rider first and a publisher second." ◆

EASYRIDERS

Profit Profile Assumptions	
Paid Subs:	96,290
Controlled Subs:	2,163
Avg $/New Sub:	$22.00
Avg $/Rnwl Sub:	$29.95
% Annual Renewal:	60.00%
Singles:	208,707
% SC Sale:	45.00%
Avg $/Net Single:	$2.33
Display Ad Pages/Yr.:	341
Display Yield/Page:	$7,582
Classified Ad Pages/Yr.:	12
Classified Yield/Page:	$4,174
List Rent/Yr:	35
Net List CPM:	$75.00
Ancillary Revenue/Sub	$19.75
Ancillary Cost/Sub	$15.80
Cost Per Edit Pg:	$1,600
Advertising %:	25%
Avg Folio:	118
Makeready/Issue:	$16,915
Print/Copy:	$0.47
Postage/Copy:	$0.20
Freight/Copy:	$0.04
Annual New CPSU:	$18.60
Annual Rnwl CPSU:	$7.00
Agency Cmmssn %:	15.00%
Adv Promotion	10.00%
Edit/Prod Personnel:	34
Avg Salary:	$30,000
Circ Personnel:	2
Avg Salary:	$35,000
Adv Personnel:	2
Avg Salary:	$40,000
Other Personnel:	5
Avg Salary:	$35,000
% T&B:	16.00%
Ovrhd/Person:	$16,000

Profit Profile Report		Per SU
Total Circulation	307,160	
Frequency	12	
Display Yield/Page:	$7,582	
Avg Display CPM :	$25	
Classified Yield/Page:	$4,174	
Avg Classified CPM :	$14	
Total Staff	43	
Revenues		
Subs - New (Gross)	$847,352	$21.52
Subs - Renewal (Gross)	1,730,331	29.29
Single-Copies (Net)	5,843,796	28.00
Advertising (Gross)	2,585,333	8.42
Classified Advertising (Gross)	50,084	0.16
List Rentals (Net)	258,439	0.84
Ancillary Products (Gross)	6,066,410	19.75
Total	17,381,746	56.59
Direct Costs		
Editorial (NonStaff)	$1,694,400	$5.52
Printing & Delivery	2,268,087	7.38
Subs - New	732,490	18.60
Subs - Renewal	413,503	7.00
Single-Copies (Unsold)	1,548,782	7.42
Adv - Commissions	387,800	1.26
Adv - Promotion	258,533	0.84
Anciliary Products	4,853,128	15.80
Total	12,156,723	39.58
Marginal Contribution	$5,225,023	$17.01
Fixed Expenses		
Personnel - Edit/Prod	$1,183,200	$3.85
Personnel - Circ	81,200	0.26
Personnel - Adv	92,800	0.30
Personnel - Other	203,000	0.66
Office Expenses	688,000	2.24
Total	2,248,200	7.32
Net Profit/Loss	$2,976,823	$9.69
Net Profit Margin	17.13%	

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mates, *NRN* posted a profit of $3.02 million for 1990 on revenues of $14.38 million. Publisher James Doherty said it was company policy not to comment on the figures. One source, however, who did not want to be cited, disputed the profit figures, saying, "I don't think they made a million dollars in 1990."

Jeffrey Berlind, publisher of competitor *Restaurant Business*, said *NRN* "doesn't position themselves as covering a broad market," but rather "chain" restaurants such as McDonald's, Wendy's and the International House of Pancakes. As a larger-circulation controlled magazine, *Restaurant Business* reports on all types of restaurant operators, including those in *NRN*, said Berlind.

Doherty said it was "not true at all" that his magazine is geared mainly to "chains," saying that *NRN* covers "all of the food service industry editorially," including fine dining establishments and non-commercial firms.

From a circulation standpoint, Doherty said that *NRN*'s position as the only paid magazine gives it a unique advantage. "Anybody who is going to write out a check," he said, is an "interested reader." Having a controlled circulation "doesn't mean subscribers really read the publication."

Others disagreed. "The advertiser wants market coverage. Which publications are going to give the greatest coverage of the marketplace of people who buy food from distributors and serve it?" Berlind countered, suggesting that controlled publications are those best capable to serving this need.

A director of marketing for one of *NRN*'s advertisers said that because *NRN* has paid subscribers while its competitors are controlled "gives it more credence." Despite the paid vs. controlled distinction, this marketing director's company advertises in all of the leading trade journals, commercial and non-commercial.

Doherty extolled the virtues of a weekly frequency, saying that readers need information "as fast as the world is changing." Advertisers get their message across more often and "heavy-up" during "key time periods," he said.

Typical of the bashing that is endemic to the niche, Stephen Michaelides, associate publisher at Penton's *Restaurant Hospitality*, faulted *NRN* for firing long-time Editor Charles Bernstein. He said that for this reason he doesn't "regard [*NRN*] as highly as I once did. His editorial expertise guided the magazine to where it is today. I think it's been lost."

Doherty fired back, "Whoever said that to you is all wet."

R&I Publisher Barry Reese confirmed that Bernstein, whom he called "a big presence in year when Houston-based SYSCO, an $8 billion corporation that is the nation's largest restaurant food distributor, decided to drop its large advertising program in *NRN* and give the account to Cahners' *Restaurants & Institutions*. According to the October issue of "The Cahners Niche," an internal house publication, the account was worth $1.4 million. Reese declined to comment on the matter, and Doherty would not confirm the value of the account, except to say that SYSCO still will run "a tiser-sponsored stories, this person said that "I, as an advertiser, have to be more effective with the money I spend." In essence this means receiving "merchandising support" from *Restaurant Business*, *Restaurant Hospitality* and *Restaurants & Institutions*—but not *NRN*.

Doherty noted that editorial integrity is "an important issue from an executive standpoint. If you start doing puff pieces, you're going to lose readers." ◆

NATION'S RESTAURANT NEWS

Profit Profile Assumptions		Profit Profile Report		Per SU
Paid Subs:	84,194	Total Circulation	95,149	
Controlled Subs:	10,955	Frequency	50	
Avg $/New Sub:	$23.60	Display Yield/Page:	$4,200	
Avg $/Rnwl Sub:	$29.50	Avg Display CPM :	$44	
% Annual Renewal:	50.00%	Classified Yield/Page:	$3,360	
Singles:	0	Avg Classified CPM :	$35	
% SC Sale:	0.00%	Total Staff	54	
Avg $/Net Single:	$0.00			
		Revenues		
Display Ad Pages/Yr.:	2,616	Subs - New (Gross)	$993,489	$20.88
Display Yield/Page:	$4,200	Subs - Renewal (Gross)	1,241,862	26.10
Classified Ad Pages/Yr.:	280	Single-Copies (Net)	0	0.00
Classified Yield/Page:	$3,360	Advertising (Gross)	10,987,200	115.47
		Classified Advertising (Gross)	940,800	9.89
List Rent/Yr:	20	List Rentals (Net)	218,843	2.30
Net List CPM:	$115.00	Ancillary Products (Gross)	0	0.00
Ancillary Revenue/Sub	$0.00	Total	14,382,193	151.15
Ancillary Cost/Sub	$0.00			
		Direct Costs		
Cost Per Edit Pg:	$500	Editorial (NonStaff)	$482,667	$5.07
Advertising %:	75%	Printing & Delivery	3,053,816	32.10
Avg Folio:	77	Subs - New	898,207	18.88
Makeready/Issue:	$11,989	Subs - Renewal	285,447	6.00
Print/Copy:	$0.33	Single-Copies (Unsold)	0	0.00
Postage/Copy:	$0.18	Adv - Commissions	1,648,080	17.32
Freight/Copy:	$0.03	Adv - Promotion	1,098,720	11.55
Annual New CPSU:	$18.88	Anciliary Products	0	0.00
Annual Rnwl CPSU:	$6.00	Total	7,466,936	78.48
Agency Cmmssn %:	15.00%	**Marginal Contribution**	$6,915,258	$72.68
Adv Promotion	10.00%			
Edit/Prod Personnel:	26	Fixed Expenses		
Avg Salary:	$35,000	Personnel - Edit/Prod	$1,073,800	$11.29
Circ Personnel:	3	Personnel - Circ	123,900	1.30
Avg Salary:	$35,000	Personnel - Adv	1,233,100	12.96
Adv Personnel:	19	Personnel - Other	495,600	5.21
Avg Salary:	$55,000	Office Expenses	972,000	10.22
Other Personnel:	6	Total	3,898,400	40.97
Avg Salary:	$70,000			
% T&B:	18.00%	**Net Profit/Loss**	$3,016,858	$31.71
Ovrhd/Person:	$18,000	**Net Profit Margin**	20.98%	

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Profit Profile
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subscriptions. In the six-month period ended in June, the ABC shows that 25,391 subscriptions were sold through a sweepstakes collection contest in which cash prizes or merchandise was offered to paid subscribers. Of the 444,346 subscriptions sold in one six-month period ended in June 1991, most of the orders—or some 293,537—were at a cost lower than the basic subscription price.

Still, according to the *MW* Profit Profile estimates, the title appears to be turning a modest profit and enjoys a good reputation among

ie serious do-it-yourself er.

According to the Hall Editorial Study, commissioned by Family Handyman, the 10 times-a-year magazine focused about 75 percent of the editorial last year on how-to related articles.

"We carry about twice as much 'how-to' as the next two titles in the field combined," said Carey. So committed is the title to its "how-to," improvement mission, that a framed copy of the magazine's editorial mission hangs in the office of each salesperson and editor, said Carey.◆

THE FAMILY HANDYMAN

Profit Profile Assumptions	
Paid Subs:	1,268,883
Controlled Subs:	43,462
Avg $/New Sub:	$11.97
Avg $/Rnwl Sub:	$13.97
% Annual Renewal:	45.00%
Singles:	62,863
% SC Sale:	27.00%
Avg $/Net Single:	$1.13
Display Ad Pages/Yr.:	386
Display Yield/Page:	$24,413
Classified Ad Pages/Yr.:	40
Classified Yield/Page:	$21,000
List Rent/Yr:	10
Net List CPM:	$65.00
Ancillary Revenue/Sub	$0.00
Ancillary Cost/Sub	$0.00
Cost Per Edit Pg:	$750
Advertising %:	40%
Avg Folio:	107
Makeready/Issue:	$16,585
Print/Copy:	$0.46
Postage/Copy:	$0.20
Freight/Copy:	$0.03
Annual New CPSU:	$9.58
Annual Rnwl CPSU:	$4.00
Agency Cmmssn %:	15.00%
Adv Promotion	10.00%
Edit/Prod Personnel:	20
Avg Salary:	$30,000
Circ Personnel:	3
Avg Salary:	$40,000
Adv Personnel:	14
Avg Salary:	$40,000
Other Personnel:	12
Avg Salary:	$50,000
% T&B:	16.00%
Ovrhd/Person:	$16,000

Profit Profile Report		Per SU
Total Circulation	1,375,208	
Frequency	10	
Display Yield/Page:	$24,413	
Avg Display CPM :	$18	
Classified Yield/Page:	$21,000	
Avg Classified CPM :	$15	
Total Staff	49	
Revenues		
Subs - New (Gross)	$8,353,691	$11.57
Subs - Renewal (Gross)	7,976,833	13.51
Single-Copies (Net)	707,209	11.25
Advertising (Gross)	9,423,225	6.85
Classified Advertising (Gross)	840,000	0.61
List Rentals (Net)	853,024	0.62
Ancillary Products (Gross)	0	0.00
Total	28,153,982	20.47
Direct Costs		
Editorial (NonStaff)	$479,250	$0.35
Printing & Delivery	9,113,641	6.63
Subs - New	6,911,859	9.58
Subs - Renewal	2,362,221	4.00
Single-Copies (Unsold)	838,682	13.34
Adv - Commissions	1,413,484	1.03
Adv - Promotion	942,323	0.69
Anciliary Products	0	0.00
Total	22,061,459	16.04
Marginal Contribution	$6,092,523	$4.43
Fixed Expenses		
Personnel - Edit/Prod	$696,000	$0.51
Personnel - Circ	139,200	0.10
Personnel - Adv	649,600	0.47
Personnel - Other	696,000	0.51
Office Expenses	784,000	0.57
Total	2,964,800	2.16
Net Profit/Loss	$3,127,723	$2.27
Net Profit Margin	11.11%	

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on's circulation is higher in the half f the country where each was atched. The readership duplication very low, between 12 percent and 7 percent, Kaiser said, indicating at each is geared toward quite a dif- ience. And despite the closer sales eting arrangement, "in no way are al staffs going to think about being er," he insisted.

lisher George Bauer noted that his n carries more ad pages than *Skiing* shes one more issue per year (eight . *Ski*'s rate base fluctuates between n September through February) and n March and April), while *Skiing*'s onstant at 440,000.

ng to *MagazineWeek* calculations, sted a profit of $6.84 million in 1990 ues of $25.6 million. Kaiser agreed profit estimate was close to actual 'or the first nine months of 1991, g pages are down 4.9 percent com- .990, from 417.54 to 397.09. Display ues fell less sharply, from $8.31 mil- .08 million (or 2.8 percent) year-to- ording to Publishers Information atistics.

43-year history, *Skiing* has passed many hands. Launched in 1948 by Iastings as a newspaper called the *ountain Skiing News*, the publication ts name 10 years later to *Skiing News e*. In 1964, the 85,000-circulation on was sold to Ziff-Davis Publishing 500,000.

llowing year, Kaiser joined the mag- dvertising director, and then became in 1969. It was during this period magazine dropped the "News" in its ecome simply *Skiing Magazine*. In ff-Davis sold the magazine to CBS es. Two years later, CBS Magazines to Diamandis Communications Inc. aged buyout and *Skiing* went with the But as Diamandis Communications n paring down debt through divest- classic LBO follow-through, *Skiing* again in December 1987 to Times lagazines.

asked about the differences between nd *Ski*, Danna Lewis-Gordon, presi- Surfer Publications Inc., publisher of tor *Powder* magazine, said, "They take ns to differentiate themselves. I'm not with how they do so." She noted that given month, the Times Mirror duo quite different. But when they are

Thomas Brown, publisher of the New York Times Magazine Co.'s oversized start-up *Snow Country*, charged that both *Ski* and *Skiing* have not shown circulation growth in the past 10 years, and, in fact, counted "serious arrears" in their last several ABC publisher's statements. According to *Skiing*'s statement for the six-month period ended [illegible] recalled that Doug Pfeiffer, one-time editor of *Skiing*, had a fondness for "hot-dogging" or "free-style" skiing, and often ran "covers of guys doing foolish things" on powdered slopes. *Ski*, meanwhile, "didn't think that's what you did on skis," and reflected that attitude in its pages, Metivier said. ◆

SKIING

Profit Profile Assumptions	
Paid Subs:	360,555
Controlled Subs:	15,403
Avg $/New Sub:	$11.94
Avg $/Rnwl Sub:	$11.94
% Annual Renewal:	40.00%
Singles:	82,448
% SC Sale:	45.00%
Avg $/Net Single:	$1.00
Display Ad Pages/Yr.:	918
Display Yield/Page:	$21,198
Classified Ad Pages/Yr.:	63
Classified Yield/Page:	$15,886
List Rent/Yr:	10
Net List CPM:	$70.00
Ancillary Revenue/Sub	$0.00
Ancillary Cost/Sub	$0.00
Cost Per Edit Pg:	$2,000
Advertising %:	55%
Avg Folio:	255
Makeready/Issue:	$41,512
Print/Copy:	$1.16
Postage/Copy:	$0.31
Freight/Copy:	$0.08
Annual New CPSU:	$9.55
Annual Rnwl CPSU:	$6.00
Agency Cmmssn %:	15.00%
Adv Promotion	10.00%
Edit/Prod Personnel:	27
Avg Salary:	$35,000
Circ Personnel:	1
Avg Salary:	$40,000
Adv Personnel:	17
Avg Salary:	$45,000
Other Personnel:	6
Avg Salary:	$70,000
% T&B:	19.00%
Ovrhd/Person:	$18,000

Profit Profile Report		Per SU
Total Circulation		458,406
Frequency		7
Display Yield/Page:		$21,198
Avg Display CPM :		$46
Classified Yield/Page:		$15,886
Avg Classified CPM :		$35
Total Staff		51
Revenues		
Subs - New (Gross)	$2,583,016	$11.45
Subs - Renewal (Gross)	1,722,011	11.45
Single-Copies (Net)	577,136	7.00
Advertising (Gross)	19,459,305	42.45
Classified Advertising (Gross)	1,000,823	2.18
List Rentals (Net)	263,171	0.57
Ancillary Products (Gross)	0	0.00
Total	25,605,461	55.86
Direct Costs		
Editorial (NonStaff)	$1,605,273	$3.50
Printing & Delivery	4,866,252	10.62
Subs - New	2,154,690	9.55
Subs - Renewal	902,299	6.00
Single-Copies (Unsold)	871,423	10.57
Adv - Commissions	2,918,896	6.37
Adv - Promotion	1,945,931	4.24
Anciliary Products	0	0.00
Total	15,264,764	33.30
Marginal Contribution	$10,340,697	$22.56
Fixed Expenses		
Personnel - Edit/Prod	$1,124,550	$2.45
Personnel - Circ	47,600	0.10
Personnel - Adv	910,350	1.99
Personnel - Other	499,800	1.09
Office Expenses	918,000	2.00
Total	3,500,300	7.64
Net Profit/Loss	$6,840,397	$14.92
Net Profit Margin		26.71%

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because of its strong single-copy presence through its distributor DSI, remains a circulation-driven publication. For the fiscal year ended March 25, 1991, a full ent ($198 million) of the Enquirer/Star Inc.'s $241 million in total revenues rived from circulation, according to a , 1991 filing with the Securities and ge Commission.

l upon this filing and other public docs, *MagazineWeek* estimates that *l Enquirer* had a positive cash flow of lion in 1990 on revenues of nearly $137 .

n an advertising standpoint, the *er* does not see itself as a competitor e other supermarket tabloids, accordanother source who asked not to be y name. This person insisted that the Sister" titles, as well as *People*, *Us ap Opera Digest*, were the the ones ok at."

first source said that the magazine firm edit-to-ad ratio, which for a typ-page issue is 62 percent to 38 perast year, *National Enquirer* carried tional advertising pages out of a total ess of 1,000 pages, according to this . The other major advertising types in blication are mail order and classified. er Leading National Advertisers nor hers Information Bureau track ad for the supermarket tabloids).

952, Generoso Pope Jr. acquired the *ork Evening Enquirer*, a weekly broadhat focused on horse racing news and stories. He renamed the publication *al Enquirer* in 1957, began distributrough supermarket chains in the mid-, and changed the editorial focus more l celebrities and human interest.

kly World News, generally considered g the most outlandish mass-circulaeriodicals in the United States (e.g. e Alien Meets With President Bush"), unched in 1979. In June 1989, followpe's death, the two titles were sold for 5 million to an entity known as GP Acquisition Limited Partnership, run cfadden Holdings. The following year, *tar* joined the other two publications Macfadden purchased the Murdochd title for $400 million. The irer/Star Group Inc. was incorporated ne 1990 and went public on the New Stock Exchange in mid-1991.

looking back over his several decades purchase, the *Enquirer* most of... bid Murdoch."

At times, the *Enquirer*'s reporting has led celebrities to sue for libel. In probably the most celebrated case, actress Carol Burnett claimed that a 1976 article depicted her as intoxicated during a "loud argument" with

in tandem with "a defense strategy," which the *Times* story said includes "fil[ing] a barrage of motions in court that tend to delay cases and put pressure on the plaintiffs to settle," help keep costly settlements to a minimum.◆

NATIONAL ENQUIRER

Profit Profile Assumptions	
Paid Subs:	385,071
Controlled Subs:	5,804
Avg $/New Sub:	$29.75
Avg $/Rnwl Sub:	$29.75
% Annual Renewal:	72.00%
Singles:	3,519,837
% SC Sale:	65.00%
Avg $/Net Single:	$0.54
Display Ad Pages/Yr.:	1,133
Display Yield/Page:	$19,000
Classified Ad Pages/Yr.:	208
Classified Yield/Page:	$19,737
List Rent/Yr:	15
Net List CPM:	$60.00
Ancillary Revenue/Sub	$0.18
Ancillary Cost/Sub	$0.09
Cost Per Edit Pg:	$1,000
Advertising %:	38%
Avg Folio:	56
Makeready/Issue:	$8,016
Print/Copy:	$0.13
Postage/Copy:	$0.16
Freight/Copy:	$0.04
Annual New CPSU:	$23.80
Annual Rnwl CPSU:	$4.00
Agency Cmmssn %:	15.00%
Adv Promotion	10.00%
Edit/Prod Personnel:	101
Avg Salary:	$65,000
Circ Personnel:	8
Avg Salary:	$40,000
Adv Personnel:	22
Avg Salary:	$55,000
Other Personnel:	20
Avg Salary:	$75,000
% T&B:	20.00%
Ovrhd/Person:	$20,000

Profit Profile Report		Per SU
Total Circulation	3,910,712	
Frequency	52	
Display Yield/Page:	$19,000	
Avg Display CPM :	$5	
Classified Yield/Page:	$19,737	
Avg Classified CPM :	$5	
Total Staff	151	
Revenues		
Subs - New (Gross)	$3,207,641	$29.31
Subs - Renewal (Gross)	8,248,221	29.31
Single-Copies (Net)	98,837,023	28.08
Advertising (Gross)	21,527,000	5.50
Classified Advertising (Gross)	4,105,242	1.05
List Rentals (Net)	351,788	0.09
Ancillary Products (Gross)	703,928	0.18
Total	136,980,843	35.03
Direct Costs		
Editorial (NonStaff)	$1,588,026	$0.41
Printing & Delivery	37,586,259	9.61
Subs - New	2,604,791	23.80
Subs - Renewal	1,125,720	4.00
Single-Copies (Unsold)	16,799,014	4.77
Adv - Commissions	3,229,050	0.83
Adv - Promotion	2,152,700	0.55
Ancillary Products	351,964	0.09
Total	65,437,525	16.73
Marginal Contribution	$71,543,318	$18.29
Fixed Expenses		
Personnel - Edit/Prod	$7,878,000	$2.01
Personnel - Circ	384,000	0.10
Personnel - Adv	1,452,000	0.37
Personnel - Other	1,800,000	0.46
Office Expenses	3,020,000	0.77
Total	14,534,000	3.72
1990 Cash Flow	$57,009,318	$14.58
Margin	41.62%	

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higher by cover and subscription price increases during the last two years. The $1.75 cover price of 1989 became $1.95 during 1990 and $2.25 in 1991. The subscription price went up at the same time, from $39 in 1990 to $45.90 this year.

"There's been really no diminution in ingle-copy," Shindler said.

Even the magazine's offers in American 'amily Publishers and Publishers Clearinghouse, coupon services that normally offer magazine subscriptions at steep reducions, are not discounted.

"We make a lot of money from our subs. We lon't give premiums," she said.

The reason for this is the loyalty that readers have for the magazine. Despite the drop in egular soap opera viewership in recent years, he audience of the magazine keeps growing.

"I think it's very much a cause-and-effect elationship," Shindler said. "Our readers are usier now. They're really reading us to catch up. It's a very special interest."

Advertising Gravy

On top of such a healthy circulation revenue, dvertising income is pure gravy, Shindler said. d pages for the title, though never plentiful, have een on a roller coaster during the last few years. he 298 pages generated in 1988 soared to 471 1 1989, then dropped to 414 last year. The year-o-date ad-page count through September is 07.19, up 4.8 percent over the same period last ear, according to LNA/*MagazineWeek* 'onsumer Advertising Monitor.

"We make so much money in circulation—dvertising may be gravy, but the gravy's much nicker now," Shindler said.

Much of the drop in ad pages last year was ue to a loss of "the hideous black and white ngestibles that ran almost every single issue," hindler said. When Shindler, who was publisher of *Star* magazine until it was sold to the *lational Enquirer* in June of 1990, took over s publisher in May of 1990, she disallowed the iet aids, suntan pills and other mail-order roducts that made up many of the title's ages. "We used to do an inordinate number f those ads."

Much of this year's increase is from nationl advertisers such as Johnson & Johnson and rocter & Gamble, which are new to the magzine, Shindler said.

Amy Andrews, vice president, associate print irector of New-York-based Saatchi & Saatchi dvertising, who places Helene Curtis ads in ne book, does so because it delivers the young late 50s in a trailer park eating bon bons," Shindler said. "That's very far from the truth."

The average reader is a married woman, between the ages of 18 and 34, with a household income of between $20,000 and $30,000, according to a Spring 1991 MRI report.

The magazine also provides a good environment for romance advertising, said

These reductions included value-added services such as an advertiser-sponsored contest whose prize is a vacation to SuperClubs.

"I don't think we would advertise anything that's judgmentally very upscale," Mason said. "But if I have a product that's geared to young women, I think that *Soap Opera Digest* is a great way to go."◆

SOAP OPERA DIGEST

Profit Profile Assumptions	
Paid Subs:	412,395
Controlled Subs:	37,228
Avg $/New Sub:	$39.00
Avg $/Rnwl Sub:	$39.00
% Annual Renewal:	64.00%
Singles:	1,034,646
% SC Sale:	65.00%
Avg $/Net Single:	$0.98
Display Ad Pages/Yr.:	414
Display Yield/Page:	$12,078
Classified Ad Pages/Yr.:	52
Classified Yield/Page:	$7,658
List Rent/Yr:	10
Net List CPM:	$60.00
Ancillary Revenue/Sub	$0.00
Ancillary Cost/Sub	$0.00
Cost Per Edit Pg:	$300
Advertising %:	12%
Avg Folio:	149
Makeready/Issue:	$11,809
Print/Copy:	$0.33
Postage/Copy:	$0.18
Freight/Copy:	$0.02
Annual New CPSU:	$31.20
Annual Rnwl CPSU:	$5.00
Agency Cmmssn %:	15.00%
Adv Promotion:	10.00%
Edit/Prod Personnel:	21
Avg Salary:	$35,000
Circ Personnel:	2
Avg Salary:	$35,000
Adv Personnel:	12
Avg Salary:	$42,000
Other Personnel:	7
Avg Salary:	$60,000
% T&B:	18.00%
Ovrhd/Person:	$18,000

Profit Profile Report		Per SU
Total Circulation	1,484,269	
Frequency	26	
Display Yield/Page:	$12,078	
Avg Display CPM :	$8	
Classified Yield/Page:	$7,658	
Avg Classified CPM :	$5	
Total Staff	42	
Revenues		
Subs - New (Gross)	$5,790,026	$35.77
Subs - Renewal (Gross)	10,293,379	35.77
Single-Copies (Net)	26,228,276	25.35
Advertising (Gross)	5,000,292	3.37
Classified Advertising (Gross)	398,198	0.27
List Rentals (Net)	269,774	0.18
Ancillary Products (Gross)	0	0.00
Total	47,979,945	32.33
Direct Costs		
Editorial (NonStaff)	$1,025,200	$0.69
Printing & Delivery	15,683,272	10.57
Subs - New	5,050,166	31.20
Subs - Renewal	1,438,794	5.00
Single-Copies (Unsold)	5,100,384	4.93
Adv - Commissions	750,044	0.51
Adv - Promotion	500,029	0.34
Anciliary Products	0	0.00
Total	29,547,887	19.91
Marginal Contribution	$18,432,057	$12.42
Fixed Expenses		
Personnel - Edit/Prod	$867,300	$0.58
Personnel - Circ	82,600	0.06
Personnel - Adv	594,720	0.40
Personnel - Other	495,600	0.33
Office Expenses	756,000	0.51
Total	2,796,220	1.88
Net Profit/Loss	$15,635,837	$10.53
Net Profit Margin		32.59%

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ongevity.

"We felt it was prudent business management," Marlieb said. "We're seeing in the last few months, some very nice gains [in newsstand sales]. I think *Omni* is going to have a very nice story to tell, but in the next six months."

Sales, he said, were only one reason for the increase in ad pages this year. An advertising campaign in the trade press helped sell the magazine.

Marlieb with Greenland Inc. created the campaign, extolling to the industry the advertising in *Omni*. "It was a campaign," Marlieb said. "I honestly believe part brought *Omni* to the attention of the public and has helped a great deal with sales."

Credit for the increase not only to sales, but to new Editor Keith Ferrell revitalized the newsstand appeal of the magazine.

When the *Omni* helm in October 1990 Editor Patricia Adcroft resigned with a cover design that used a cutout to hide the page-three holographic Motorola advertisement. Ferrell has not been raised again and there is no pressure to give advertisers a discount.

"My concern is the readers," he said.

"The way to market a magazine is to be seen on the newsstand—to send a message to readers at newsstands and say, here is a magazine filled with stuff that you want to read."

BPA reports indicate that single-copy sales dropped during the rate base period, 225,114 in June of 1990 to December, dropped still further, to June 30, 1991.

Both newsstand sales and ad pages picked up during the last six months of the year, but was unable to provide

The advertising runs the gamut from automobiles to books, is difficult to generalize. Emphasis on popularized science differentiates the book from other titles such as *Scientific American* and its acquisition *Discover*, with which it competed.

"Omni is very feature-oriented," Ferrell said. "We are much more of a specula- [than *Discover*]. We keep our feet grounded in the realities of science,

ject.

"I don't think that we're competitive for advertising. Our demographics are quite different," Piel said.

Elissa Elkin, vice president/media director at Franklin Spier Inc., a New York advertising agency that has placed books from Harper Collins in *Omni*, buys space in the magazine

Perle Bos

Esquire or *GQ* than to *Discover* or *Scientific American*.

"You think of *Esquire* as an upscale men's magazine with a literary twist and *GQ* as an upscale men's magazine with a fashion twist," Ferrell said. "We're an upscale men's magazine with a science and future twist."◆

OMNI

Profit Profile Assumptions		Profit Profile Report		Per SU
Paid Subs:	666,000	Total Circulation	915,748	
Controlled Subs:	77,328	Frequency	12	
Avg $/New Sub:	$21.95	Display Yield/Page:	$26,955	
Avg $/Rnwl Sub:	$24.00	Avg Display CPM :	$29	
% Annual Renewal:	40.00%	Classified Yield/Page:	$23,108	
Singles:	172,420	Avg Classified CPM :	$25	
% SC Sale:	45.00%	Total Staff	82	
Avg $/Net Single:	$1.75			
		Revenues		
Display Ad Pages/Yr.:	659	Subs - New (Gross)	$8,771,220	$19.67
Display Yield/Page:	$26,955	Subs - Renewal (Gross)	6,393,600	21.50
Classified Ad Pages/Yr.:	16	Single-Copies (Net)	3,620,820	21.00
Classified Yield/Page:	$23,108	Advertising (Gross)	17,763,532	19.40
		Classified Advertising (Gross)	360,478	0.39
List Rent/Yr:	10	List Rentals (Net)	594,662	0.65
Net List CPM:	$80.00	Ancillary Products (Gross)	0	0.00
Ancillary Revenue/Sub	$0.00	Total	37,504,312	40.95
Ancillary Cost/Sub	$0.00			
		Direct Costs		
Cost Per Edit Pg:	$1,500	Editorial (NonStaff)	$1,517,850	$1.66
Advertising %:	40%	Printing & Delivery	8,694,309	9.49
Avg Folio:	141	Subs - New	7,831,704	17.56
Makeready/Issue:	$20,876	Subs - Renewal	1,189,325	4.00
Print/Copy:	$0.58	Single-Copies (Unsold)	1,575,631	9.14
Postage/Copy:	$0.22	Adv - Commissions	2,664,530	2.91
Freight/Copy:	$0.04	Adv - Promotion	1,776,353	1.94
Annual New CPSU:	$17.56	Anciliary Products	0	0.00
Annual Rnwl CPSU:	$4.00	Total	25,249,702	27.57
Agency Cmmssn %:	15.00%	**Marginal Contribution**	$12,254,610	$13.38
Adv Promotion	10.00%			
Edit/Prod Personnel:	36	**Fixed Expenses**		
Avg Salary:	$35,000	Personnel - Edit/Prod	$1,486,800	$1.62
Circ Personnel:	2	Personnel - Circ	82,600	0.09
Avg Salary:	$35,000	Personnel - Adv	792,960	0.87
Adv Personnel:	16	Personnel - Other	2,147,600	2.35
Avg Salary:	$42,000	Office Expenses	1,476,000	1.61
Other Personnel:	28	Total	5,985,960	6.54
Avg Salary:	$65,000			
% T&B:	18.00%	**Net Profit/Loss**	$6,268,650	$6.85
Ovrhd/Person:	$18,000	**Net Profit Margin**		16.71%

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e '90s:
g Twin; p. 122
hape
Design, p. 148

In terms of circulation, *Machine Design* edges out the Cahners title with a circulation of 180,069, compared to *Design News*' 170,026. Both have entirely controlled circulations, audited in the Dec. 30, 1990, Business Publications Audit of Circulations report.

In ad pages, *Design News* is clearly ahead.

"They have various programs they make available in the marketplace that tends to allow a certain number of pages at less than full rate, or it might be at no cost," Zaremba said. "A lot of that is structured, some of it is, some of it isn't. They are never out that far ahead of us."

Rome/*MagazineWeek* figures for the last three years show *Design News* consistently 19 percent to 24 percent ahead of *Machine Design* in ad pages.

"We have things where we try to get advertisers off the dime early—a head start program," Thompson said. "Everyone has a variation of one kind or another. What we do, if a guy will run an ad in January and another in the first quarter, we'll increase his frequency by one, get him to the next-highest frequency for all his advertising that year."

In special issues timed to run with important national trade shows, *Design News* offers three insertions for the price of two, said Thompson.

The third major title in the category, *Product Design & Development* is far behind the other two in ad pages. A tabloid published monthly, the Chilton title generated 1,535 ad pages in 1989, 743 pages in 1990 and 315 year-to-date through June of 1991.

Viable Market

Targeted to engineers working in the original equipment market who design "anything for resale," the market for *Design News* encompasses more than 750,000 engineers in 40,000 production plants, Thompson said.

"The reason advertisers want to advertise to them is because a synonym for original equipment market is large-volume purchase," Thompson said. "If Chrysler decides they like your switch, they tend to buy a million of them."

Mike Markwald of Lukens Steel Co., a *Design News* advertiser, agreed that the audience is attractive. "It's just a good, broad-spectrum book," he said.

The original equipment market, Thompson said, consumes $500 billion per year in components and raw materials and produces $1

Jim Ritchie, advertising manager/account manager from Kaiser Aluminum's Sherman, Texas facility, said Kaiser buys pages in *Design News* for precisely that reason.

"In our business, we try to get to the designer, versus the purchasing agent," Ritchie said.

$25[illegible] The much larger Texas plant, his 1991 ad budget is $125,000. "We've had cutbacks, like a lot of people have in their advertising budgets. We have to be very, very careful about how we spend it, where we spend it. We have to get the most bang for the buck, so to speak." ◆

DESIGN NEWS

Profit Profile Assumptions	
Paid Subs:	0
Controlled Subs:	170,026
Avg $/New Sub:	$0.00
Avg $/Rnwl Sub:	$0.00
% Annual Renewal:	80.00%
Singles:	0
% SC Sale:	0
Avg $/Net Single:	$0.00
Display Ad Pages/Yr.:	3,456
Display Yield/Page:	$7,440
Classified Ad Pages/Yr.:	260
Classified Yield/Page:	$6,930
List Rent/Yr:	25
Net List CPM:	$85.00
Ancillary Revenue/Sub	$0.00
Ancillary Cost/Sub	$0.00
Cost Per Edit Pg:	$500
Advertising %:	45%
Avg Folio:	330
Makeready/Issue:	$47,482
Print/Copy:	$1.32
Postage/Copy:	$0.36
Freight/Copy:	$0.10
Annual New CPSU:	$10.00
Annual Rnwl CPSU:	$4.00
Agency Cmmssn %:	15.00%
Adv Promotion	10.00%
Edit/Prod Personnel:	30
Avg Salary:	$35,000
Circ Personnel:	2
Avg Salary:	$40,000
Adv Personnel:	10
Avg Salary:	$60,000
Other Personnel:	3
Avg Salary:	$65,000
% T&B:	18.00%
Ovrhd/Person:	$18,000

Profit Profile Report		Per SU
Total Circulation	170,026	
Frequency	25	
Display Yield/Page:	$7,440	
Avg Display CPM :	$44	
Classified Yield/Page:	$6,930	
Avg Classified CPM :	$41	
Total Staff	45	
Revenues		
Subs - New (Gross)	$0	$0.00
Subs - Renewal (Gross)	$0	0.00
Single-Copies (Net)	$0	0.00
Advertising (Gross)	25,712,640	151.23 /M
Classified Advertising (Gross)	1,801,800	10.60
List Rentals (Net)	361,305	2.13
Ancillary Products (Gross)	0	0.00
Total	27,875,745	163.95
Direct Costs		
Editorial (NonStaff)	$2,270,889	$13.36
Printing & Delivery	8,324,188	48.96
Subs - New	340,052	10.00
Subs - Renewal	544,083	4.00
Single-Copies (Unsold)	0	0.00
Adv - Commissions	3,856,896	22.68
Adv - Promotion	2,571,264	15.12
Anciliary Products	0	0.00
Total	17,907,372	105.32
Marginal Contribution	$9,968,373	$58.63
Fixed Expenses		
Personnel - Edit/Prod	$1,239,000	$7.29
Personnel - Circ	94,400	0.56
Personnel - Adv	708,000	4.16
Personnel - Other	230,100	1.35
Office Expenses	810,000	4.76
Total	3,081,500	18.12
Net Profit/Loss	$6,886,873	$40.50/M
Net Profit Margin	24.71%	

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to get in the market

journals are losing media share to direct mail and trade show promotion.

And some advertisers confirm this. "I'm putting my money where my customers are—or will be," said Rossi. "Increasingly, my

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LASER FOCUS WORLD

Profit Profile Assumptions		Profit Profile Report		Per SU
Paid Subs:	1,560	**Total Circulation**	59,650	
Controlled Subs:	58,090	Frequency	13	
Avg $/New Sub:	$90.00	Display Yield/Page:	$3,704	
Avg $/Rnwl Sub:	$90.00	Avg Display CPM :	$62	
% Annual Renewal:	70.00%	Classified Yield/Page:	$3,576	
Singles:	0	Avg Classified CPM :	$60	
% SC Sale:	0.00%	Total Staff	23	
Avg $/Net Single:	$3.00			
		Revenues		
Display Ad Pages/Yr.:	1,447	Subs – New (Gross)	$42,120	$2.35
Display Yield/Page:	$3,704	Subs – Renewal (Gross)	98,280	2.35
Classified Ad Pages/Yr.:	10	Single-Copies (Net)	0	0.00
Classified Yield/Page:	$3,576	US Advertising (Gross)	5,360,267	89.86
		Classified Advertising (Gross)	34,864	0.58
List Rent/Yr:	25	List Rentals (Net)	134,213	2.25
Net List CPM:	$90.00	Ancillary Products (Gross)	3,015,308	50.55
Ancillary Revenue/Sub	$50.55	Total	8,685,050	145.60
Ancillary Cost/Sub	$40.44			
		Direct Costs		
Cost Per Edit Pg:	$1,060	Editorial (NonStaff)	$1,263,400	$21.18
Advertising %:	55%	Printing & Delivery	1,302,805	21.84
Avg Folio:	204	Subs – New	214,740	12.00
Makeready/Issue:	$31,631	Subs – Renewal	167,020	4.00
Print/Copy:	$0.88	Single-Copies (Unsold)	0	0.00
Postage/Copy:	$0.27	Adv – Commissions	804,040	13.48
Freight/Copy:	$0.06	Adv – Promotion	536,027	8.99
Annual New CPSU:	$12.00	Anciliary Products	2,412,246	40.44
Annual Rnwl CPSU:	$4.00	Total	6,700,278	112.33
Agency Cmmssn %:	15.00%	**Marginal Contribution**	$1,984,773	$33.27
Adv Promotion	10.00%			
Edit/Prod Personnel:	13	**Fixed Expenses**		
Avg Salary:	$30,000	Personnel – Edit/Prod	$452,400	$7.58
Circ Personnel:	2	Personnel – Circ	81,200	1.36
Avg Salary:	$35,000	Personnel – Adv	243,600	4.08
Adv Personnel:	5	Personnel – Other	174,000	2.92
Avg Salary:	$42,000	Office Expenses	368,000	6.17
Other Personnel:	3	Total	1,319,200	22.12
Avg Salary:	$50,000			
% T&B:	16.00%	**Net Profit/Loss**	$665,573	$11.16
Ovrhd/Person:	$16,000	**Net Profit Margin**	7.66%	

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